

Livestock Market News

Federal-State Market News, P.O. Box 391
Little Rock, AR 72203, (501) 671-2200

Week Ending September 26, 2008

09/19/08-09/25/08	THIS WEEK	LAST WEEK	YEAR AGO	FEEDER CALVES	YEAR-LINGS	STOCK COWS	SLAUGHTER COWS	BULLS
MARKET	979	NR	1479	643	140	60	122	14
SPRINGDALE (F)	NR	1963	1197					
ASH FLAT (F)	587	739	440	351	145	31	52	8
OLA (F)	588	661	732	410	100	15	54	9
MARSHALL (M)	972	610	1433	507	285	42	121	17
FT. SMITH (M)	1218	936	1060	850	150	60	142	16
CONWAY (TU)	251	203	267	146	35	25	40	5
POCAHONTAS (TU)	304	360	600	160	85	21	35	3
RATCLIFF (W)	860	593	1097	646	100	60	50	4
CHARLOTTE (W)	1468	1394	1702	759	528	71	100	10
GREEN FOREST (W)	963	814	1308	473	343	15	125	7
HOPE (TH)	834	759	766	530	100	90	106	8
GLENWOOD (TH)	NR	697	817					
OZARK (TH)	485	380	475	290	137	12	40	6
FAYETTEVILLE (TH)								

THIS WEEK	9505		5765	2145	500	990	105
LAST WEEK	10109		5815	2495	675	995	125
YEAR AGO		13373	5820	2795	840	1080	135
YEAR TO DATE	2008	317147	181355	79110	21160	31380	4065
YEAR TO DATE	2007	361673	215356	84190	25890	31880	4300

PRICE TREND: Compared to last week: Slaughter cows sold 2.00-6.00 lower. Slaughter bulls sold 4.00-5.00 lower. Feeders sold weak to 3.00 lower except Number 1 steers under 500 lbs steady to 2.00 higher. The cattle market continues to move lower as concerns over the financial markets have influenced prices.

Following prices are for Medium and Large 1, feeder cattle, mostly English and exotic crosses in normal flesh and fill. They comprised about 40-45 percent of the feeder cattle receipts. 2 s discounted \$5-\$10, 3s discounted \$10-\$20, and Small frame discounted \$15-\$25.

FEEDER STEERS	Price Range	Weighted Average Price		
	This Week	This Week	Last Week	Year Ago
300-350 lbs.	120.00- 135.00	126.10	121.56	137.57
350-400 lbs.	114.00- 132.00	120.21	119.90	132.42
400-450 lbs.	104.50- 130.50	116.01	113.80	124.85
450-500 lbs.	102.00- 123.00	111.30	109.38	120.64
500-550 lbs.	95.00- 115.00	105.75	105.65	114.96
550-600 lbs.	93.50- 109.00	99.99	102.23	110.83
600-650 lbs.	92.50- 107.00	98.22	100.54	107.14
650-700 lbs.	92.50- 105.00	97.95	101.17	106.31
700-750 lbs.	94.00- 96.50	94.77	100.66	103.73
750-800 lbs.	87.00- 94.50	90.65	101.95	102.89
FEEDER HEIFERS	Price Range	Weighted Average Price		
300-350 lbs.	95.00- 111.00	101.47	105.13	115.63
350-400 lbs.	90.00- 112.00	102.08	104.14	113.15
400-450 lbs.	86.00- 109.00	97.28	98.30	108.28
450-500 lbs.	85.00- 107.00	96.70	96.28	106.35
500-550 lbs.	84.00- 105.00	93.34	95.15	104.67
550-600 lbs.	85.00- 102.50	91.60	92.59	103.42
600-650 lbs.	85.00- 100.00	90.53	93.16	102.23
650-700 lbs.	85.00- 97.00	89.15	92.31	100.54
700-750 lbs.	85.00- 90.50	87.00	91.94	108.26
750-800 lbs.	NA- NA	NA	91.50	94.72

	This Week	Last Sale	Year Ago
REPLACEMENT COWS			
Open/short-bred	51.00- 61.00	56.00- 66.00	51.00- 61.00
Third Stage	55.00- 65.00	63.00- 73.00	70.00- 80.00
PAIRS			
Small calves	800.00- 900.00	875.00- 975.00	850.00- 950.00
Large calves	1025.00- 1125.00	925.00- 1025.00	1050.00- 1150.00
SLAUGHTER COWS			
Boners	45.00- 51.00	50.00- 56.00	43.00- 49.00
Lean	42.00- 48.00	44.00- 50.00	39.00- 45.00
SLAUGHTER BULLS			
1000-2100 lbs.	58.00- 65.00	62.00- 70.00	56.00- 62.00

MARKET SITUATION AND OUTLOOK: According to Darrell R. Mark, Ph.D., Assoc. Professor & Rebecca M. Small, Graduate Research Assistant, Department of Agricultural Economics, University of Nebraska-Lincoln as corn prices have more than doubled in the last two years, cattle producers increasingly look for alternatives to finishing calves exclusively in feedlots on high concentrate rations. Historically, Nebraska feeders have always placed a high proportion of fall-weaned calves on feed in October and November and sold them as fed cattle in May before the seasonal summer price decline. However, as feeding cost of gain has increased from about \$50/cwt to nearly \$100/cwt in the past two years, livestock operators have more incentive to background calves during the winter and following summer on forages and delay placing the cattle on feed until they are long yearlings at the end of the summer grazing season. However, one factor that must be considered before changing the production system is cattle size. Large-framed, heavy calves weaned in the fall may have to be fed as calf-feds to minimize overweight carcasses. Based upon University of Nebraska-Lincoln research examining the performance of cattle in both types of systems from 1996 to 2007, the relative difference in returns to calf finishing versus yearling systems is relatively small (about \$4/head) on average, but highly variable. Average returns to the calf and yearling system were \$20.83/head and \$16.77/head, but ranged from losses exceeding \$175/head to profits greater than \$350/head. In the ten years of the study where both systems were directly comparable, the yearling system was more profitable than calf finishing in four years and less profitable in six of the years. And, there was little correlation between higher profits to the yearling system and high corn prices. As cattle feeders, backgrounders, and ranchers considering retained ownership look ahead to this fall's calf crop, decisions need to be made whether to: 1) place calves on feed or 2) background them through the winter and possibly the following summer and not place them on feed until they are long yearlings next fall. Assuming cattle performance in these systems is similar to the previous years in this study and using forecasted prices as of late August 2008, it appears that the yearling system could generate returns of \$69.48/head, compared to \$2.40/head for calves placed directly on feed and targeted to sell in May 2009. This is based on 640 lb. feeder steers being placed on feed this November at \$121/cwt and 525 lb. feeder steers entering the backgrounding/yearling finishing system this November at \$130/cwt. The steers in each system would be sold for a projected \$170/cwt and \$172/cwt (dressed) in May 2009 and December 2009, respectively. Corn price was projected to be \$5.94/bu and \$6.05/bu for the calf-feds and yearlings, respectively. The steers in the yearling system would be backgrounded on grass at an expected cost of \$29/AUM. The \$67/head improvement in forecasted returns for the yearling system over calf finishing should be viewed with caution, however. Previous years' returns were highly variable for both systems, but standard deviations of historical profits were larger for the yearling system: \$169.28/head versus \$110.27/head. This indicates that the yearling system has been relatively more risky over time. And, this makes sense, too, when considering that the cattle in the yearling system are owned for longer periods of time and are grown and fed using several diverse methods (e.g., winter corn stalks, summer pasture, and feedlot). Another consideration related to these economic comparisons is the winter feed cost for backgrounding yearlings. Many alternative feeds such as distillers grains, corn gluten feed, or distillers solubles can make growing calves in the winter much cheaper (increase the difference between yearlings and calf-feds by \$15 to \$35 due to cheaper gain in the winter), so the potentially greater variability in returns may be offset by substantially lower costs for some producers.

FUTURES CLOSES

	FRI	MON	TUE	WED	THU	YEAR
09/19/08-09/25/08	19	22	23	24	25	AGO
Feeder Cattle - CME						
Sep-08	108.25	108.15	107.60	107.70	107.88	116.07
Oct-08	105.85	107.05	106.60	107.60	106.85	115.50
Nov-08	105.30	106.48	105.95	107.45	106.38	115.82
Jan-09	105.08	106.30	105.85	107.08	106.50	114.67
Live Cattle - CME						
Oct-08	101.55	102.45	102.20	102.18	100.95	96.90
Dec-08	103.25	103.90	103.45	104.20	102.63	100.20
Feb-09	103.18	104.15	103.68	104.33	103.50	101.55
Apr-09	102.73	104.73	104.23	105.15	103.98	101.12
Lean Hogs - CME						
Oct-08	68.20	68.65	68.45	68.95	69.28	58.90
Dec-08	66.05	67.35	66.30	66.23	66.13	62.52
Feb-09	71.13	72.60	71.88	72.28	72.28	68.35
Apr-08	76.10	77.75	77.00	77.13	77.55	70.17
Corn - CBOT						
Sep-08	5.42	5.59	5.60	5.63	5.58	3.87
Dec-08	5.59	5.76	5.78	5.81	5.76	4.02
Mar-09	5.70	5.87	5.89	5.92	5.87	4.11

CASH MARKETS	FRI	MON	TUE	WED	THU	Year
	19	22	23	24	25	Ago

5 Area Wkly Accumulated, Negotiated, Dir Sltr Cattle Wtd Avg

Steers, Beef Breeds						
Live Basis	98.24	98.17	NA	95.00	98.31	95.26
Dressed Basis	150.72	150.72	NA	149.65	154.03	144.44
Heifers, Beef Breeds						
Live Basis	98.37	98.30	NA	96.50	98.65	92.00
Dressed Basis	151.08	151.02	149.00	149.00	154.32	NA
Beef Cut-Outs						
Choice 600-900 lbs	159.80	159.55	160.41	159.61	158.00	147.40
Select 600-900 lbs	153.08	151.88	152.24	151.96	150.67	138.29
Cutter Cow	134.82	136.10	135.67	135.38	131.61	105.75
Beef Kill (000)	121	129	127	128	127	122
Hide & Offal Value						
Per cwt Live	11.64	11.63	11.65	11.64	11.66	10.13

Iowa-So. Minnesota Direct Hog, wgt'd.avg., plant del., carcass basis	68.83	69.83	72.36	70.90	71.50	57.25
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U.S. Slaughter Sow Report (Plant del. price live)						
300-450 lbs	48.32	47.35	46.90	46.08	47.03	35.61
450-500 lbs	54.33	54.79	54.92	54.38	54.21	40.36
500-550 lbs	56.24	58.40	56.58	56.81	56.98	41.51
550 lbs & up	59.31	60.08	58.10	59.16	58.01	41.67

Souix Falls Ter Mkt						
Barrows & Gilts	47.00	47.00	49.00	49.00	49.00	40.00
Boars over 300 lbs	NA	NA	14.00	14.00	14.00	NA

185 lb Pork Cut-Out						
53-54% Lean	76.66	75.86	75.00	75.22	74.75	61.20
Hog Kill (000)	434	435	437	435	435	420
Lambs-Midwest						
Goats	AL	PA	TX	TN	NC	
Billies (125 lbs)	NA	119.25	70.00	NA	72.75	90.00
Nannies (95 lbs)	NA	72.50	37.75	NA	62.50	57.75
Kids Sec. 1 (55 lbs)	NA	134.50	104.50	NA	106.25	95.00
Broilers-Georgia						
88.25	88.25	88.25	88.00	88.00	81.00	
Turkeys-Eastern						
8-16 lb Hens	102.00	102.00	102.00	102.00	102.00	96.00
16-22 lb Toms	102.00	102.00	102.00	102.00	102.00	96.00

SOUTHERN DIRECT SLAUGHTER COW AND BULL CARCASS REPORT (\$/CWT.)
PLANT DELIVERED DATE: Thursday, September 25, 2008
Slaughter for previous day: 5,500; 15% Bulls
Compared previous report: Lean cows were 9.00-10.00 lower; Boner cows 6.00-8.00 lower; Breakers were 8.00-9.00 lower; Bulls were 9.00-14.00 lower

SLAUGHTER COW CARCASSES				SLAUGHTER BULL CARCASSES	
	Lean	Boners	Breakers		
	90% Lean	85% Lean	75% Lean		92% Lean
500 lbs & up	102.00-113.00	100.00-110.00	90.00-104.00	600 lbs & up	106.00-122.00
400-500 lbs	100.00-111.00	98.00-108.00	88.00-102.00	under 600 lbs*	103.00-112.00
350-400 lbs	96.00-108.00	93.00-105.00	83.00-99.00	*includes low yielding and fat bulls	
300-350 lbs	93.00-103.00	88.00-100.00	78.00-94.00		
300-300 lbs	82.00-92.00				

Oklahoma National Stockyards, Oklahoma City, OK.
Weekly Weighted Average Summary for Week of 09/22/2008.

Receipts this Week: 10,892 Last Week: 7033 Last Year: 6867
Compared to last week: Feeder steers and heifers 1.00-3.00 lower.

Feeder Steers Medium and Large 1				
Head	Wt Range	Avg Wt	Price Range	Avg Price
18	359-365	362	127.00-138.00	133.80
88	400-432	420	123.00-131.00	126.91
132	452-495	470	117.50-127.00	122.32
163	500-546	519	114.00-123.75	119.14
135	560-595	575	110.00-117.00	112.79
122	601-640	618	109.25-114.25	111.03
149	652-695	670	108.00-112.50	110.33
148	701-746	724	108.25-112.00	110.30
476	750-799	771	106.25-110.50	108.68
262	817-847	838	105.00-109.25	106.55
155	852-896	868	102.00-105.85	104.20
Feeder Heifers Medium and Large 1				
Head	Wt Range	Avg Wt	Price Range	Avg Price
23	317-341	325	111.00-118.00	114.40
59	353-391	376	105.00-112.50	108.62
93	407-449	429	107.00-116.00	112.04
127	461-494	479	106.00-110.75	109.45
194	502-549	527	105.00-110.50	107.47
82	558-586	573	102.00-109.75	106.72
232	609-645	630	103.50-109.00	105.83
103	651-690	665	103.25-106.50	104.53
168	702-746	737	100.00-103.50	101.79
214	752-796	767	97.00-103.85	101.13
43	827-842	837	98.25-98.35	98.32
84	856-882	864	97.75-98.00	97.81

West Plains- Ozarks Regional Stockyards
Feeder Cattle Weighted Average Report for 09/23/2008

Receipts: 3266 Last Week: 2988 Year Ago: 4003
Compared to last week, steers under 700 lbs 2.00-6.00 lower, except 350-450 lbs (suitable for wheat and a few top 5 weights) 3.00-6.00 higher, weights over 700 lbs steady to mostly 1.00 lower. Heifers under 650 lbs (front-end) steady to 3.00 lower, with most lesser quality 3.00-6.00 lower, weights over 650 lbs weak to 2.00 lower.

Feeder Steers Medium and Large 1				
Head	Wt Range	Avg Wt	Price Range	Avg Price
35	361-397	381	124.00-130.00	127.74
55	402-428	415	124.00-128.00	125.87
46	453-491	480	104.00-110.00	107.21
63	516-547	542	105.00-114.00	113.15
50	557-589	573	98.00-109.00	102.42
29	600-640	616	98.50-106.00	103.31
28	672-687	680	100.00-105.00	103.81
Feeder Heifers Medium and Large 1				
Head	Wt Range	Avg Wt	Price Range	Avg Price
52	405-422	413	98.00-106.00	103.17
21	452-476	464	100.50-106.00	104.06
64	505-537	516	94.00-102.00	97.77
37	550-592	569	93.00-96.00	94.97
55	605-649	622	88.50-96.50	91.51
40	661-695	685	89.50-95.00	92.99